

United States Senate

WASHINGTON, DC 20510

May 15, 2020

Mr. Matt Eyles
President & Chief Executive Officer
America's Health Insurance Plans
600 Pennsylvania Avenue, NW
Washington, DC 20004

Mr. Scott Serota
President & Chief Executive Officer
Blue Cross Blue Shield Association
1310 G Street, NW
Washington, DC 20005

Dear Mr. Eyles and Mr. Serota:

We write to thank you for the steps your members have taken to help support consumers and other partners across the health care industry as our nation responds to the spread of COVID-19, and to urge you to continue working collaboratively with hospitals and other health care providers throughout this crisis. Specifically, we urge your organizations and member organizations to strengthen efforts to expedite claims processing and reimburse hospitals and other health care providers for services provided in a timely manner during this time of limited cash flow.

As you know, COVID-19 has placed an enormous amount of stress on hospitals and other front line health providers who are struggling to both prepare for the spread of COVID-19 and maintain the finances necessary to make it through this crisis. A Department of Health and Human Services (HHS) Office of the Inspector General (OIG) report (OEI-06-20-00300) detailing the significant challenges health systems and community hospitals across the country are facing as the number of COVID-19 cases continues to grow. According to the HHS OIG report, hospitals are facing widespread shortages of personal protective equipment (PPE) and other necessary supplies and equipment. They have also reported shortages of cleaning supplies, bed sheets, toilet paper, and other basic equipment.

While they face these shortages, hospitals are reporting increased costs associated with preparing for an influx of COVID-19 patients, limited cash flow as a result of delaying elective procedures and other routine services, and difficulty maintaining and supporting adequate staff. Recognizing that hospitals and other health care providers across the country are facing unprecedented financial distress as they work to manage the spread of COVID-19, Congress has included a total of \$175 billion in funding for hospitals and other front line health providers in the past two legislative efforts to address COVID-19. While these resources have been meaningful to frontline providers and helped them to keep their doors open during this time, they are not sufficient, and we must do more to help keep our hospitals staffed and open with all of the necessary resources during and after this crisis.

Many of your members have already taken important steps to help protect your members from out-of-pocket costs during this time, from waiving cost sharing requirements for testing and treatments to expanding access to telemedicine services to maintain access to key health services for Americans from the safety of their homes. We urge you to build on these protections for consumers by taking steps to support hospitals and providers by prioritizing cash flow necessary to maintain surge capacity and meet the needs of their communities as they return to more routine care and elective procedures.

While most states have prompt pay laws on the books that require timely reimbursement for services rendered, we recognize that it can take a significant period of time for the administrative details to be resolved before a hospital or provider gets paid. While hospitals may be able to manage these delays on an average day, any delay in reimbursements will nevertheless have a negative impact on cash flow, which hospitals feel much more acutely during the current COVID-19 crisis.

We understand that unpaid claims across the commercial and Medicare Advantage markets amount to several billion dollars of services that have been provided but not yet reimbursed. We urge you to emphasize the expedited processing of outstanding claims for services that have already been rendered to ensure that payments to hospitals and other providers are made as quickly as possible, and to commit to prompt reimbursement as hospitals begin to slowly return to routine care and elective procedures. Doing so will help to further alleviate the pressure on our hospitals' finances during this time and ensure they have the resources necessary to invest in surge capacity and return to full service.

We appreciate your continued efforts to collaborate with and support other members of the health care system to prioritize consumers and provide peace of mind and financial security for families and individuals during this time by waiving cost-sharing requirements for testing and treatment of COVID-19. Thank you in advance for working with your member companies and hospital partners to ensure payments are made as quickly as possible and to reconciling those outstanding claims for services previously rendered.

Sincerely,

/s/ Sherrod Brown

Sherrod Brown
United States Senator

/s/ Rob Portman

Rob Portman
United States Senator

/s/ Tom Carper

Tom Carper
United States Senator

/s/ Robert Menendez

Robert Menendez
United States Senator

/s/ Margaret Wood Hassan

Margaret Wood Hassan
United States Senator